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C O N F I D E N T I A L SECTION 01 OF 04 LAGOS 000061

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STATE FOR AF/W
TREASURY FOR DPETERS, RHALL, RABDULRAZAK
ENERGY FOR PERSON, GAY
COMMERCE FOR KBURRESS
STATE PASS USTR FOR LISER, AGAMA
STATE PASS TRANSPORTATION FOR KSAMPLE
STATE PASS OPIC FOR ZHAN, MSTUCKART, JEDWARDS
STATE PASS TDA FOR EEBONG, DSHUSTER
STATE PASS EXIM FOR JRICHTER
STATE PASS USAID FOR NFREEMAN, GBERTOLIN

E.O. 12958: DECL: 20 YEARS

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SUBJECT: NIGERIA: CG'S ROAD TRIP: A TOUR D'HORIZON OF CROSS
RIVER STATE

REF: REF LAGOS 711

Classified By: CONSUL GENERAL DONNA BLAIR FOR REASONS 1.4 (B) AND (D).

11. (U) Summary: Consul General Donna Blair heard Cross River State PDP Governor Imoke's vision for the ethnically-diverse state and his criticisms of the Niger Delta Development Commission (NDDC) and the federal government as ineffective in assisting further development. A customs official told Consul General Blair he was just enforcing the law, despite the law's crippling impact on the Tinapa Free Trade Zone. Girls' Power Initiative and the Zero Corruption Coalition are combating trafficking in persons and corruption in the state.
End Summary.

Governor's Focus on Economy and Security

12. (U) Governor Liyel Imoke told the Consul General that he is strongly focused on the security and economic development of Cross River State. The success of all agricultural and tourism projects depends on the government's ability to provide a stable atmosphere, he said. Cross River State has made great strides in reducing its unemployment rate as a preventative measure, a fact he attributed in part to a local cement factory employing a large number of youths. In terms of economic development, he stated that other governments don't pay as much attention to it as they should and as a result experience more troubles. The key to laying a good foundation for business and for the overall strengthening of the business environment is to ensure the safety of investors and of employees, Imoke reiterated.

"Unfocused" NDDC a Barrier to Development

13. (C) Regarding the Niger Delta Development Commission (NDDC), Imoke stated firmly "they are not the government," but they act like it anyway. Their unfocused plan, and their

competition with state governments on government-initiated projects, distract from the larger purpose, in his opinion. For example, the NDDC had wanted to renovate some schools and health clinics that are government-owned, rather than identify innovative regional projects they could fund. Service provision to Cross River citizens begins with the basics such as developing accurate birth and death rate statistics, the Governor stated. He is trying to implement a welfare system to provide N5,000 a month (approximately \$43 at current exchange rates) to those who could use it, but "it's hard to implement if you don't know how old someone is or how many people live in your state," the Governor said. He also told the Consul General that he is prioritizing HIV prevalence reduction due to the huge impact the disease has on the welfare of any population. He stated that the government procurement process, for example, requires well-trained individuals in order to function efficiently, and the state can't afford to lose these. In order to help provide more educated citizens for the country, the state has set aside funds for scholarships to enable students to study abroad, including to institutions in Eastern Europe which are more affordable than the U.S. or the U.K., Imoke told the Consul General.

Tinapa Foiled by Federal Government

14. (U) The Tinapa free trade zone is of key importance to the state, Imoke stated, and sketched his vision for a planned city near the site with an international school, amusement park and other amenities to attract more oil company and other industry executives. Several companies have relocated from the heart of the Delta to Calabar, in part due to its

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better security, he said. Customs, however, had shut down the Tinapa site; it is unclear whether the federal or state government has true authority over it. Although the state government initiated the project, the state needs to work out how it will meet federal requirements, which Imoke hopes will be adjusted to facilitate the zone's development. He stated the federal government will gain more than the state government from the site, ultimately, and the federal government's lack of a coherent and clear policy on free trade zones is hampering any gains. He did state they had a list of tenants ready to do business, but who are afraid to invest until the issues surrounding Tinapa have been resolved.

Agriculture: Commissioners Must Farm

15. (U) In order to further develop the state, the governor requires office holders to engage in farming on 10 hectare plots set aside for the purpose. He also foresees this as a sort of pension for these officials; terms are approximately three to four years, which is how long most farms take to become economically viable. After their time in office is over, office holders will have a source of income other than another political job.

Resettlement Site Established for Bakassi Residents

16. (U) Finally, Imoke told the Consul General about the settlement site for people who will be displaced by the handover to Cameroon of the Bakassi peninsula in August. He admitted the difficulty the people will have in relocating, but is supportive of the Green Tree Agreement.

17. (C) (Comment: Although the Governor made an impressive presentation to the Consul General, in his previous positions he has been accused of incompetence. Under former president Obasanjo, Imoke was the Minister of Power and Steel, and oversaw the signing of the Power Sector Reform Bill (preceded by NEPA's unbundling). From the country's reliance on

generators for power, it is evident that his five-year term left much to be desired. End Comment)

Customs' Perspective on Tinapa

¶18. (SBU) During a fortuitously-seated plane ride back to Lagos from Calabar, the Consul General and PolOff sat next to the Nigerian Customs Service (NCS) Deputy Comptroller of Customs for Cross River State, Augustine Nwosu. As the officer in charge of the Tinapa project, he described for PolOff and the Consul General the conflicts that have arisen between businesses, the state government, the customs service and the local population around Tinapa. He also described shifts he has seen in the Customs Service during his twenty-four years of service and where he saw the need for modernization.

¶19. (C) Nwosu framed the conflict over Tinapa between the state government and the NCS as a question of adherence to law. He cited a section of Nigeria's import law that prohibits the duty free imports that are supposed to exist in the Tinapa zone. Because the law renders such purchases illegal, Tinapa has had to be shut down until the issue was resolved. The law, he admitted, is poorly understood even by those in the government; Customs' role, he stated, is, as a result, scapegoated for its role in enforcing the flawed legislation.

¶10. (C) The NCS is required to seize and destroy all illegal imports; Nwosu described burning a seized textile shipment several months ago. This created a lot of anger among the

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people, who attacked the customs officers during the burn. Privately, Nwosu agreed that this was a difficult mandate to adhere to, but said it is important for the local industries to grow, however painfully, even if the public is resistant or does not understand. During his employment, he has seen a slight increase in the use of technology but not enough to make import processing any faster. On a recent work visit to Dubai, he and his team watched a container ship be offloaded in four hours, he marveled; the same size project would have taken his team approximately one week, because his offloading capacity is not automated. Nwosu also said that the 100 percent inspection policy, rather than a targeted inspection policy, is also responsible for the slow processing.

Girls' Power Initiative Makes Girls Change Agents

¶11. (U) In a meeting with the Consul General, the Assistant Director of the Calabar Girls' Power Initiative (GPI) office Helen Chidi shared success stories of the group in empowering girls to make good choices for their lives and in developing their leadership skills. Through regular group sessions with local girls, counseling sessions with family members, public education and outreach through TV shows and other media, GPI works to make girls and women less susceptible to traffickers and to other abuses. (Note: Most unusual at this meeting was the attendance of all members of the GPI staff, including security guards and drivers, who were all encouraged to contribute thoughts. This is a rare example of a group that practices what it preaches about addressing all of society and all of its members. End note.)

¶12. (U) GPI reported to the Consul General that the regular December surge in trafficking in persons had again occurred in 2007, and that Immigration officers, though aware of the transport trucks that come to take away the victims, were unable to intercept them. Immigration officials, GPI, the police and other NGOs and service providers are members of a Cross River coalition on trafficking in persons; this coordination has helped victims who are referred to NGOs or

are taken back to their families when rescued. The group identified Yakurr and Buki towns (Buki is close to the Cameroon border) as the two key hot spots for trafficking within the state. There have been no prosecutions of traffickers in Cross River State.

¶13. (U) When asked by the Consul General about their interactions with the community, GPI admitted they have met resistance by "misinformed" people in conducting their outreach and in holding their sessions with community girls, including members of the community trying to shame the attendees by calling them lesbians. Parents sometimes resist their daughter's participation in their educational sessions as well, but parent-child sessions and forums have proven a useful venue for addressing these concerns. Even when the girls have been forbidden from participating, GPI stated, they find ways of remaining in touch or of joining the program later on. Their efforts, Chidi admitted, are a slow start to changing the culture that doubly disempowers females and children, but they have success stories to share as well.

¶14. (U) (Note: The NGO Girls' Power Initiative was founded in 1993, and focuses on the education, leadership and other life management skills and reproductive rights of adolescent girls aged 10-18. The Benin City office has worked with the Consulate on trafficking grants and efforts in the past. End Note.)

Zero Corruption Coalition Places Hope on Judiciary

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¶15. (C) Dr. Edet Ikpi, Director of the Zero Corruption Coalition, told the CG that militancy in the Niger Delta is a direct result of deprivation and corruption in the region, and that the NDDC Master Plan is fraught with fundamental weaknesses. Though there is no current mechanism in place to assess performance either of companies, corporations or state governments, his feeling is that the frequency of corruption increases with the number of state projects. Dr. Ikpi provided two examples, a three kilometer section of road that cost N300 million, and a large transformer given to an NDDC official under suspicious circumstances, of this dynamic at play. The lack of education and exposure in the region has reduced people's will to combat the corruption, he said.

¶16. (C) Dr. Ikpi and his two colleagues, all three doctors, commended NAFDAC for the work it was doing and said the agency has instilled fear in those who wish to circumvent its processes. However, they feel these are not yet institutionalized abilities; should the Director depart, there is no guarantee of its further high performance. They expressed a lot of hope in Yar'Adua as the first Nigerian leader to hold a university degree, and commended his efforts to remove the immunity clause for office holders; however, they were not optimistic about others in the federal government. They commended the EFCC as well for its efforts, but are supportive of an amendment to its Act to bolster its independence. They also commended the judiciary, overall, as the last respite of hope for the Nigerian people, and think it is supported by Yar' Adua's rule of law policy.

¶17. (C) Dr. Ikpi creatively suggested international intervention or a U.N. summit to deal with the problems of the Niger Delta, given its importance to the region and Nigeria's importance to the world. The Consul General responded that the United States is partnering with Nigeria and support its efforts in several key arenas such as corruption.

Educational Outreach Touches Hundreds

¶18. (U) Consulate Lagos' Educational Advisor Margaret Anyigbo spoke to three hundred students about studying in the United States at the American Corner in Calabar, while Consul General Blair met with the American Corner Director and toured the facility. The Corner is located in a well-maintained building that acts as a community center, on a landscaped compound. The Consul General also delivered two computers to the Holy Child Secondary School in Calabar as part of the Adopt-a-School program. Previous visits to the school by the Consulate were warmly remembered by the Sisters.

This message has been cleared by Embassy Abuja.
BLAIR